



January 30, 2009

Congress continues to work and make progress on the House and Senate versions of the economic recovery bills. On January 27, the Senate Appropriations and Finance Committees approved their portions of the Senate bill and on January 28, the full House approved HR 1, the House version of the bill. The Senate bill is expected to come to the floor for debate early next week. After the Senate bill is approved, the House and Senate will meet in conference to reconcile the differences in the two bills. The goal is to pass a final bill by the February 13 start of the congressional recess.

House Bill:

The House passed its version of the bill by a vote of 244 to 188. No Republican members voted for the bill and 11 Democrats voted against it. The House accepted three transportation-related amendments. The Nadler/DeFazio/Lipinski/McMahon/Ellison amendment adds \$1.5B in additional transit New Starts funding (original level was \$1B) and \$1.5B in additional transit formula funds (original level was \$6.0B). It is generally being interpreted by the T&I Committee and FTA staff that the total \$2.5B in New Start funds will create an additional \$5B in new Continent Commitment Authority (CCA) which could be used by FTA to sign additional Full Funding Grant Agreements (FFGAs).

Also accepted was an Oberstar amendment to revert the deadline for states and local agencies to obligate the first 50% of transportation formula funds back to 90 days as Oberstar had originally proposed before the deadline was extended to 180 days during the House Appropriations Committee mark-up. A third amendment by Rep. Shuster (R-PA) strengthening the maintenance of effort provision was also accepted. Under the amendment a state would lose its economic recovery funding if its Governor fails to certify that the state will maintain its planned level of state funding expenditure. The House rejected an amendment to delete all the Amtrak funding.

Senate Bill:

The Senate Appropriations Committee did not permit any amendments to be offered during the committee mark-up of the recovery bill on January 27. The \$365.6B bill passed by a vote of 21 to 9. Chairman Inouye (D-HI) asked that all amendments be held until the floor debate.

Also on the 27th, the Senate Finance Committee approved a \$522B tax and entitlement title which includes several infrastructure-related provisions. The chairman's mark creates a new "Build America" bonds program -- tax credit bonds that would help state and local governments fund capital projects including highway, bridge, and transit construction. The bonds were originally proposed in a 2007 Senate bill, drafted by Senators Ron Wyden (D-OR) and John Thune (R-SD). The bonds would cost approximately \$6.8 billion over ten years. The bill also includes language to create various tax-credit and tax-exempt bonds to promote high-speed passenger rail similar to legislation introduced in 2008 by Senator John Kerry (D-MA). The bill would exempt private activity bonds from the alternative minimum tax (AMT).

Also included in the bill is language raising the tax benefit for commuting by public transportation. Current law allows companies to provide up to \$120 each month in tax-exempt public transportation benefits, but \$230 for parking. The bill would raise the transit allowance to \$230 each month and index it to inflation, making it equal to the parking incentive.



PB Washington Update

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Senate floor debate could be quite lengthy and divisive with Republicans expected to offer numerous amendments to increase tax cuts and to reduce various spending programs as well as potentially adding some relief for the housing market.

Economic Recovery Bill Details:

APTA Side-by-Side Comparison of the transit portions of the House and Senate bills can be accessed [here](#).

ARTBA Side-by-Side Comparison of the transportation portions of the House and Senate bills (but does not reflect the Appropriations Committee amendments which increase transit funding and reduce the number of days transportation funds have to be obligated) can be accessed [here](#).

ASCE new 2009 Infrastructure Report Card can be accessed [here](#).

FHWA Questions and Answers on economy recovery issues related to implementation of the House and Senate highway provisions can be accessed [here](#).

Additional documents, bill summaries, legislative language, etc. are located at www.pbstimulus.com